

**S Finance Committee Amendment No. 1**

**Amendment No. 2 to HB4025**

**Fitzhugh**  
**Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 4076**

**House Bill No. 4025\***

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated Section 56-7-3002 is amended by adding the following language as subdivisions (9) and (11) and renumbering the remaining subdivisions accordingly:

(9) "Health benefits coverage" includes medical insurance in force currently or in force during the past six (6) months that would make a participating employer or enrollee ineligible pursuant to § 56-7-3005. Health benefits coverage shall include but not be limited to basic medical coverage (hospitalization plans), major medical insurance, comprehensive medical insurance, short-term medical policies, limited-benefit plans, mini-medical plans, and high deductible health plans with health savings accounts. Health benefits coverage shall not include catastrophic health insurance plans that only provide medical services after satisfying a deductible in excess of fifteen thousand dollars (\$15,000). Additionally, health benefits coverage shall not include medical insurance that is available to an enrollee pursuant either to the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 (Pub. L. No. 99-272, codified at 29 U.S.C. § 1161 et seq.) and which the individual declined, or to § 56-7-2312 et seq. and which the individual declined.

(11) "Involuntary loss of coverage" means the loss of health benefits coverage arising from, but not limited to the following circumstances:

(i) A separation from employment, voluntary or involuntary;

(ii) A health insurance carrier's cancellation of group or individual health benefits coverage for reasons other than premium non-payment, fraud, or misrepresentation;

(iii) A health insurance carrier's decision to no longer sell small group health benefits coverage; or

(iv) The loss of eligibility for TennCare or CoverKids.

Involuntary loss of coverage shall not include situations in which the primary insured dropped dependent spouse or dependent child(ren) from the health benefits coverage policy.

SECTION 2. Tennessee Code Annotated, Section 56-7-3005(c), is amended by deleting the word "or" at the end of subdivision (c)(1), adding the word "or" at the end of subdivision (c)(2), and adding the following new subdivision:

(3) An individual suffers an involuntary loss of coverage.

SECTION 3. Tennessee Code Annotated, Title 56, Chapter 7, Part 30 is amended by adding the following as a new, appropriately designated section:

Section 56-7-30\_\_

(a) For the purposes of this section "county government" means a county government enumerated in § 5-1-101 and established under title 5 or as a metropolitan government under title 7.

(b) The department shall establish criteria and guidelines for county governments to enroll in the program. The criteria shall include but not be limited to:

(1) Only county governments who have not offered health benefits coverage to their employees for at least the previous twelve (12) months shall be eligible to participate in the program, except that coverage under a group insurance plan offered by counties to eligible local education employees defined in 8-27-302(e)(2) will not preclude the county government's participation.

(2) All of a participating county government's employees eligible for the program operated pursuant to this part shall be limited to citizens of the United States, except that individuals satisfying the federally defined exceptions contained in 8 U.S.C. § 1622(b) shall also be eligible to apply.

(3) A minimum employee participation of fifty percent (50%) of county government employees eligible to participate in the program shall be required.

(4) A participating county government shall contribute a minimum of sixty-six percent (66%) toward the premiums of its eligible, participating employees on a uniform basis.

(c) The department shall establish criteria and guidelines for employees of participating county governments to enroll in the program. The criteria may include:

(1) Residency requirements;

(2) Citizenship requirements;

(3) Insurance status as established by the department pursuant to § 56-7-3005(c);

(4) Employment status, including a minimum of twenty (20) hours per week on average; and

(5) Any other eligibility criteria deemed appropriate by the department and not in conflict with the provisions of this part.

(d) The department shall establish an application process for county governments seeking to participate in the program and shall reevaluate the eligibility of the county government on a periodic basis.

(e) The department may limit the number of participating county governments who are authorized to participate in the program.

(f) The department may determine whether participating county governments must offer their employees a choice among all of the plans available through the program, or may specify which plan or plans are offered to their employees.

(g) Participating county governments will not receive any state contributions as authorized in § 56-7-3013(a)(1) toward the premium of their participating employees.

(h) The department may establish eligibility criteria deemed appropriate by the department and not in conflict with the provisions of this part.

SECTION 4. This act shall take July 1, 2008, the public welfare requiring it and shall be repealed midnight June 30, 2012.